

17C

29 May 1953

OGC Has Reviewed

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Executive Order No. 10450; Security Requirements for Government Employment.

1. The President, on 27 April 1953, issued Executive Order 10450, Subject: "Security Requirements for Government Employment." Under its provisions, previous Executive Orders establishing a Government Employees Loyalty Program are revoked, and the Loyalty Review Board is abolished. The Executive Order is attached as Tab A.

2. Executive Order 10450 extends to all agencies provisions of the Act of 26 August 1950 authorizing the suspension and termination of employment. The Executive Order does not abrogate the statutory authority of the Director under Section 102(c) of the National Security Act of 1947 to terminate the employment of any CIA employee. The Department of Justice has supplied all agencies with a set of sample security regulations for guidance, and these have been used as a model for the new proposed CIA regulations which are attached as Tab B.

3. Certain provisions of the sample regulations are of concern from a security standpoint. These include the provision that the members of the security hearing board in a given case are to be drawn from a roster of Federal civilian employees maintained by the Civil Service Commission and the board may not include any members from the agency of the employee whose case is being heard; the right of the employee to counsel; the privilege of cross-examining witnesses; and the right to receive a copy of the transcript of the hearing. We have been informally advised by the Bureau of the Budget and the Department of Justice that certain of these provisions did not apply to CIA. In fact, neither the Executive Order nor the Act of 26 August 1950 prescribe a security hearing board composed of employees of other Government agencies. However, the President, in his letter to the heads of Executive departments and agencies dated 27 April 1953 commented on certain of these provisions (Tab C). That letter points out the President has requested the Civil Service Commission to establish a procedure whereby each department of the Government will be furnished competent and disinterested employees from outside the department concerned to

sit as members of security hearing boards. The President further states he has arranged that the Attorney General supply to the departments sample regulations designed to establish minimum standards for the implementation of the security program under the Executive Order. Therefore, this Agency believes that it should comply with the standards and procedures set forth in the Executive Order and the sample regulations insofar as such provisions do not conflict with your statutory responsibilities.

4. In some cases we foresee that CIA security would not be affected by the utilization of a security hearing board composed of non-CIA employees or the right of the employee before that board to have counsel of his choice. However, in certain cases, security considerations would mitigate against the use of such procedures. Therefore, the proposed CIA regulation specifically provides in Section 10 for a determination to be made by the DCI or the DDCI that in given cases where sensitive security information would be involved, such cases would be acted on pursuant to the Director's statutory authority under Section 102(c) of the National Security Act of 1947.

5. Section 9 of Executive Order 10450 provides for the Civil Service Commission to maintain a security-investigations index covering all persons as to whom security investigations have been made by any Government agency under this Order and directs all agencies to furnish the Commission with appropriate information for the index. When CIA comments were invited on the original draft of this Executive Order we informed the Director of the Bureau of the Budget that Section 7 of the CIA Act of 1949 would not authorize compliance since it would, in effect, require the furnishing of a complete roster of CIA personnel which was inconsistent with our security requirements and the law. However, we informed them that wherever security considerations permitted CIA would continue to furnish to the Civil Service Commission, under established special procedures, the names of employees whom we have terminated for security reasons.

6. The Executive Order requires a designation of positions in CIA which are sensitive within the meaning of the Executive Order. There is a further requirement for determinations as to the extent of the investigation of each employee. These matters are included in the proposed letter for your signature to the Civil Service Commission. (See Tab D.) That letter contains an excerpt from your letter to the Bureau of the Budget on 16 March 1953 pointing out the statutory responsibilities of the DCI requiring that CIA not comply in full with the provisions of Executive Order 10450.

RECOMMENDATIONS:

1. That the Director approve and sign the attached regulations;
and
2. That the Director sign the attached letter to the Civil
Service Commission.

WALTER HEID WOLF
Deputy Director
(Administration)

CONCURRENCES:

Acting General Counsel

Date

Assistant Director, Personnel

Date

Director of Security

MAY 25 1953

Date